THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The suggestions are with reference to the annual Budgetary exercise. It is not possible to comment on these suggestions when the Budgetary process is on.

World Economic Forum for overseas investors

1306. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether his attention has been drawn to the news-item titled, 'Jaswant fails to market India at WEF' appeared in Deccan Herald, dated the 27th January 2003;

(b) whether it is a fact that the Finance Minister attended the World Economic Forum at Davos recently; and

(c) if so, the outcome of his interaction with the overseas investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Yes, Sir. The Minister of Finance and Company Affairs attended the World Economic Forum 2003, in Davos, Switzerland, on January 24, 2003. During his stay, he addressed a session entitled 'India Networking Lunch', a plenary session on 'Bridging the Divide: Moving beyond Words' and a session focussing on 'Economic and Geopolitical Implications of the fight against international terrorism'. He also had bilateral meetings and private briefing and discussion with the group of elect CEOs to provide information on market development and address concerns.

Pending applications under self-employment scheme

1307. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the news-item appearing in the Times of India, dated the 29th January, 2003 under the caption, "Banks sit on loan applications for self-employment schemes";

(b) if so, the details thereof and Government's reaction thereto;

(c) the number of applications under various welfare schemes pending with each of the nationalised banks, scheme-wise;

(d) whether the rejection rate is very high and there is inordinate delay in loan disbursal; and

(e) if so, what is the ratio between the applications submitted and approved, the time lag between loan sanction and disbursement?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) During the recent Conference of the State Ministers of Rural Development, Panchayati Raj and Public Works convened by Ministry of Rural Development on 27-28 January 2003, some of the participants raised the issue of delays in sanction, gap between the sanction and disbursal of loans and high rate of rejection of loan proposals by Banks under the Swarnjayanti Gram Swarozgar Yojana (SGSY).

Government and Reserve Bank of India (RBI) constantly review, monitor and evaluate the progress under the SGSY scheme. The performance of the Banks in regard to sanction and disbursement under the SGSY is also critically reviewed in different fora such as District Level Review Committee (DLRC) and the State Level Bankers Committee (SLBC) etc., where besides the representatives of RBI, implementing Banks, representatives from concerned State Government Departments participate. In addition, the progress of implementation of the scheme is also reviewed by a Monitoring Cell under the chairmanship of Deputy Governor in RBI. The major factors leading to delays in sanction/ disbursement of loans are as follows:

(i) Non-sponsoring of viable loan applications;

(ii) Lack of necessary infrastructure and backward/forward linkage such as marketing of produced goods, etc.;

(iii) Delay in submission of required documents and completion of prescribed formalities by borrowers;

(iv) Delay in allotment of shed, power connection, water supply, etc.; and

(v) Poor recovery position.

However, RBI has been advising Banks periodically for further streamlining the financing and in its recent circular dated 4 July 2002, has advised the Banks to dispose off the pending applications within the prescribed time limit of 15 days to reduce the period between loan sanction and disbursement, ensure greater coordination of work at the block level betweeen bankers and Government functionaries, avoid under financing, ensure participation in block and district level meetings and make all efforts to improve recoveries under the scheme.

As reported by Reserve Bank of India (RBI) the position with regard to pending applications in the Public Sector Banks under Prime Minister's Rozgar Yojana (PMRY) and Swarnajayanti Gram Swarozgar Yojana (SGSY) is given in the enclosed Statement. (*See* below). RBI has further reported that the reporting systems under Swarna Jayanti Shahari Rozgar Yojana (SJSRY) does not generate data relating to details of applications pending or rejected.

(d) and (e) RBI has reported that during 2001-02 under PMRY, Public Sector Banks received 4,19,771 applications, out of which 2,22,542 applications were sanctioned and 57,218 applications were pending. The rejection rate worked out to 47%. Under SGSY scheme out of 1,56,393 applications received as on September, 2002 (both Self Help Groups and individuals combined) by PSBs, the number of loans sanctioned stood at 81091 and the number of rejected applications were 17582, which works out to 11.24%. The major factors leading to delays in sanction/disbursement are given in reply to part (b) above.

Statement

Banks under PMRY and SGSY

Sl. No.	Name of the Bank	PMRY (Application pending as on 31.03.2002)	SGSY (Application pending as on 30.09.2002)
1	2	3	4
1.	State Bank of India	14298	18775
2.	State Bank of Bikaner and Jaipur	3471	1227
3.	State Bank of Hyderabad	932	246
4.	State Bank of Indore	0	1146

1	2	3	4
5.	State Bank of Mysore	102	256
6.	State Bank of Patiala	0	67
7.	State Bank of Saurashtra	1	702
8.	State Bank of Travancore	845	176
9.	Allahabad Bank	1041	1023
10.	Andhra Bank	0	38
11.	Bank of Baroda	1310	3202
12.	Bank of India	2307	6685
13.	Bank of Maharashtra	2303	651
14.	Canara Bank	2887	689
15.	Central Bank of India	4582	4429
16.	Corporation Bank	347	127
17.	Dena Bank	654	5487
18.	Indian Bank	0	1097
19.	Indian Overseas Bank	1992	514
20.	Oriental Bank of Commerce	750	292
21.	Punjab National Bank	2423	7303
22.	Punjab & Sind Bank	1259	251
23.	Syndicate Bank	1515	726
24.	Union Bank of India	8190	815
25.	United Bank of India	2057	0
26.	UCO Bank	2664	1723
27.	Vijaya Bank	1288	149

Pending applications for Nidhi companies

1308. SHRI CHO S. RAMASWAMY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that many applications are pending for more than three years for approval under Section 620A of the Companies Act;

(b) if so, how many such cases are pending;

(c) what steps are being taken to clear the backlog; and